University Shared Services Case Studies

HR/Payroll

MODERNIZATION

Trends in Higher Education

Many higher education institutions have implemented – or are in the process of implementing – some form of the shared service model

Oregon State University

The Oregon State University business center program is still fairly young, but it is well regarded and largely successful.

Overview

In 2007 Oregon State University (OSU) initiated a study of its administrative service delivery model and discovered that authority, accountability, and responsibility were scattered across campus. In reaction, OSU decided to transform its service delivery method by establishing regional business offices to provide one-stop services for high volume, routine transactions related to accounting, payroll and human resources functions. The implementation covered three years (planning began in 2007) and consisted of a pilot site and a gradual roll out of additional academic and administrative functions over the following two years. All seven centers were fully implemented and operational by August, 2009.

About the University

Enrollment	Faculty	Staff
24,303	*2,050*	*2,604*
Budget*	Control	Carnegie Class
$730M	*Public*	*Very High Research*

Model

Unit Level	Regional	Functional

- 5 academic centers divided by theme (i.e. Health Sciences, Business and Engineering, etc.)
- 2 administrative centers for functional and administrative units

Goals / Drivers

- Cost savings
- Process efficiency and standardization
- Service improvements

Key Takeaways

- Ensure space is provided for centers and that it is adequate for the mission
- "Staffing inequities among colleges transferred to Business Center inequities"
- Manage customer expectations early on in the process
- Celebrate and publicize early victories to win-over reluctant staff and faculty
- Establish metrics prior to re-organization to serve as a baseline

Primary Functions

✓	Human Resources		Payroll
	Research Admin	✓	Finance
	IT Services		Mgmt Operations
	Clerical		Academic

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University of Michigan

Despite missteps in implementation, the University of Michigan shared service center provides finance and HR services to the colleges and programs on the Ann Arbor campus.

Overview

The University of Michigan began exploring shared services in 2009. After considering various models and potential services, decision was made to move forward with offering support in finance and human resource from a single center on campus. Though they received serious push-back from faculty due to missteps in change management, the administration moved forward with a reduced implementation plan in mid-2013. The service center was fully staffed and operational by April 2015.

About the University

Enrollment	Faculty	Staff
45,162	*5,971*	*18,524*
Budget	**Control**	**Carnegie Class**
$6.62 B	*Public*	*Very High Research*

Model

System-based	Campus-based	Partnership

- Through one large center, the UM SSC provides support for select finance and HR transactions
- Staff are clustered within the center to provide more specialized support to units

Goals / Drivers

- Cost savings
- Reduced administrative burden
- Streamlined and standardized administrative processes

Key Takeaways

- Transparency and collaboration is vital throughout all phases of design and implementation
- Failure to establish a sound governance model, with broad representation and clear lines of accountability, can seriously inhibit the credibility of shared services implementations
- Effective change management is critical to avoid set-backs in implementation that could evolve into significant PR issues

Primary Functions

✓	Human Resources		Payroll
	Research Admin	✓	Finance
	IT Services		Mgmt Operations
	Clerical		Academic

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June 2015

Ohio State University

In the wake of the recession, OSU implemented several regional SCs that provide front-line HR services and transaction processing at the nation's third largest public university.

Overview

In 2010, the Ohio State University initiated an effort to refocus HR operations with a goal of distributing resources, creating more efficient operations and procedures, mitigating risks, and allowing for a reallocation of resources towards strategic HR initiatives. In this arrangement, there is no central oversight of the SCs, and in the absence of a direct mandate to align with an SC, some of the smaller schools opted not to adopt the model. However, the rollout was achieved in relatively short order, and was successful in meeting its goals of achieving cost savings, mitigating compliance risk, and improving employee satisfaction.

Model

Campus-based	College-based	Partnership

OSU developed 12 service centers, most of which were established in a short timeframe of 1 year. The SCs serve 90% of all employees, and provide transaction processing and front-line HR services. Some SCs have expanded to cover finance and procurement.

Goals / Drivers

- Desire to leverage greater economies of scale
- Cost savings
- Mitigated compliance risk
- Improved career progression options for employees

About the University

Enrollment	Faculty	Staff
58,322	*5,037*	*24,001*

Key Takeaways

- OSU has experienced some variation in service levels, a result of the fact that little direction was provided centrally in terms of the management of the individual SCs, and the lack of coordinator among the centers
- Compliance risk is managed by shifting highly-specialized activities to Centers of Expertise (Central HR), rather than the SCs

Primary Functions

✓	Human Resources		Finance
	Research Admin		Gen. Office Support
	IT Services		Travel & Expense
	Department Ops		Academic

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University of California, San Francisco

UCSF has successfully implemented a service delivery model for HR, pre-award, IT (helpdesk) and financial services that provide and expert solutions to campus.

Overview

In early 2010, the Chancellor announced the Operational Excellence (OE) initiative to the community and challenged the campus to increase efficiency and reduce administrative costs across the following administrative areas: HR, Pre-Award, IT, Finance, and Procurement. Other goals of OE were to minimize administrative burdens to faculty, simplify and align procedures and processes, and ensure excellent services are consistently available to all departments, regardless of size and resources. At present, UCSF has most fully implemented changes related to HR, Pre-Award, IT (helpdesk), and financial services.

Proposed Model

Unit Level	*Regional*	*Functional*

- The HR team consists of staff and academic HR generalists serving all departments
- Service delivery model for local pre-award services across campus consisting of 10 cohort teams
- Financial services teams provide support for everything from budgeting to internal controls

Goals/Drivers

- Process efficiency and standardization
- Cost savings

About the University

Enrollment	Faculty	Staff
6,200	*2,800*	*22,000 (incl. hospital, clinic)*
Budget	**Control**	**Carnegie Class**
$3.6B	*Public*	*Very High Research*

Key Takeaways

- Strong buy-in from leadership at all levels was critical to a successful implementation.
- There is a need for strong baseline data to begin the process of implementing shared services and helping measure success.
- A focus on communication and change management have been essential components of the design and deployment

Primary Functions (Proposed)

✓	Human Resources
✓	Grants/Research Administration
✓	IT Services
	Clerical
✓	Financial

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University of California, Berkeley

The University of California, Berkeley established a campus shared services center to support HR, Finance, IT and Research Administration activities.

Overview

The University of California, Berkeley is replacing its highly decentralized model of delivering administrative services with a shared services system. An assessment of Berkeley revealed opportunities to reduce redundancy, increase staff development opportunities, streamline rogue policies and procedures, and clarify staff roles. Berkeley' recently launched a single regional center providing HR, IT, Research Administration, and Finance support for the units.

About the University

Enrollment	Faculty	Staff
35,256	*3,419*	*7,205*
Budget*	Control	Carnegie Class
$2.1B	*Public*	*Very High Research*

Model

Unit Level	Regional	*Functional*

- 1 service center, located in a newly retrofitted building off campus
- Research admin. TBD - likely to implement a 'pod' model of research support distributed across campus

Goals / Drivers

- Cost savings was the primary driver for this implementation
- Process efficiency and standardization
- Service improvements

Key Takeaways

- "Transformation Support Services" are critical to support the departments in any necessary internal reorganization
- Flexibility in overall model is key: model must be adapted to meet campus needs.
- Once stable, continued attention must be directed toward process improvement.
- Financial incentives at the unit level increased buy-in and support

Primary Functions

✓	Human Resources		Payroll
✓	Research Admin	✓	Finance
✓	IT Services		Mgmt Operations
	Clerical		Academic

University of Saskatchewan

The University of Saskatchewan developed a unique hybrid services center model that provides both a central service center and service hubs across campus.

Overview

In response to continually decreasing provincial government funding and a projected $44.5 M (CAD) deficit by 2016, University of Saskatchewan (U of S) leadership launched a committee to develop ideas to secure financial sustainability through central or shared services. Due not only to governance and change management missteps, but also high turnover at the leadership level – President, Provost, VP Academic, Associate Vide Presidents, Deans and Executive Directors – the initiative stumbled. A new team was brought on to assess the current state and redesign and adapt according to findings. As a result, the U of S has launched a more successful hybrid Service Center and Service Hubs service model.

About the University

Enrollment	Faculty	Staff
20,000	*1,065*	*~6,000*
Budget*	**Control**	**SR Income**
$525 M (CAD)	*Public*	*$195 M (CAD)*

Model

System-Based	*Campus-based*	*Partnership*

Services delivered through 3 delivery channels:
- Local Strategic Business Advisors - assigned consultative, strategic support
- Functional Central Office – University wide functional support
- Service Hubs – transactional support

Goals / Drivers

- Cost savings was the primary driver for this implementation
- Process efficiency and standardization
- Service improvements – create clear accountabilities and ownership

Key Takeaways

- Requirements must by driven by customers
- Customers (faculty and staff) from all levels of the university must be involved in the governance model
- Emphasize decision making over committee navigation
- Collaborative design process, "Do it with us not to us"

Primary Functions

✓	Human Resources	✓	Payroll
✓	Research Admin	✓	Finance
✓	IT Services	✓	Advancement
✓	Facilities	✓	Student Services

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University of California, Davis

The University of California, Davis established a campus shared services center to support HR, Payroll, Purchasing and Accounts Payable.

Overview

In anticipation and in coordination with the role-out of the UCPath Center, UC Davis launched a multi functional shared services center in February, 2012. After 18 months pf operation, a decision was made in the Fall of 2013 to place a strategic pause on the program to asses and analyze issues of low customer satisfaction and other areas of poor performance. Based on the assessment, shared service center leadership launched a major effort to build customer relationships, hear and solve complaints, engage center staff in the departments and units they serve. Results have been extremely positive. The center has been able to substantially improve customer service levels, and grow volume while keeping costs constant.

Model

System-Based	Campus-based	Partnership

Single Service center with approximately 75 employees serving 180 departments and over 7,000 employees at peak times

Goals / Drivers

- Process efficiency and standardization
- Service improvements – create clear accountabilities and ownership
- Cost savings

About the University

Enrollment	Faculty	Staff
36,104	*4,132*	*21,486*
Budget*	Control	SR Income
$4.2 B	*Public*	*$786M*

Key Takeaways

- A clear strategy for customer engagement is critical
- Build continuous customer outreach and ability for customers at all levels of the organization to provide feedback and felt heard
- Service Center staff must be given opportunities to become engaged with the departments and units they serve
- Dedicate staff to identifying process and performance problems and fixing them across the end to end process

Primary Functions

✓	Human Resources	✓	Payroll
	Research Admin	✓	Finance (A/P, P
	IT Services		Mgmt Operations
	Clerical		Academic

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